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CALIFORNIA
FRANCHISE
TAX
BOARD...AT A GLANCE



HISTORY

In 1929, the Legislature created the office of the Franchise Tax Commissioner to administer California's new Bank and Corporation Franchise Tax Act. This was the first agency created for tax administration since the adoption of the state Constitution in 1879, a major departure from the accepted pattern of assigning new taxes to the Board of Equalization and the State Controller.

In 1950, California abolished the office of the Franchise Tax Commissioner and created the Franchise Tax Board. Board members are the State Controller, the Director of Finance and the Chair of the State Board of Equalization. The chief administrative official is the executive officer of the Franchise Tax Board.

Members of the Franchise Tax Board:

Kathleen Connell, Chair
Dean Andal, Member
Craig L. Brown, Member

California Franchise Tax Board

At a Glance

BACKGROUND

Our primary job at the Franchise Tax Board is to administer California's Personal Income and Bank and Corporation Tax Law. Over the years we have also been given additional responsibility to administer certain non-tax programs such as the Homeowner and Renter Assistance Program, Political Reform Act Audits, and certain non-tax collection programs, which we talk about later in this brochure.

In administering these programs, we provide assistance in a multitude of ways. Tax assistance is available around the clock through our toll-free telephone assistance line and information available on our Internet homepage. You can also stop by and visit us during normal business hours at one of our 16 field offices located throughout the state. Many other types of assistance are available to you and are explained later in this brochure. We designed this brochure to give you some history about our department and to serve as a guide to the many resources available to you.



Our Mission

The purpose of the Franchise Tax Board is to collect the proper amount of tax revenue, and operate other programs entrusted to us, at the least cost; serve the public by continually improving the quality of our products and services; and perform in a manner warranting the highest degree of public confidence in our integrity, efficiency and fairness.

PROGRAMS

The following is a description of the major programs we administer.

Personal Income Tax

Today, Californians file nearly 13 million personal income tax returns. The Personal Income Tax Program generates more than \$18.8 billion annually. This amounts to 46.3 percent of the state general fund.

California taxes residents on their income from all sources while nonresidents are taxed on income derived from California sources. The California tax form starts with the federal adjusted gross income and then provides for adjustments between federal and state tax laws.

Bank and Corporation Tax

Currently, banks and corporations file nearly 417,000 returns. The Bank and Corporation Tax Program generates more than \$4.8 billion. The corporation tax is called a franchise tax because it is paid for the privilege of doing business in the state.

California follows the unitary method of taxation for corporations doing business both within California and elsewhere. Under the unitary method as applied by California, all of the elements comprising a single trade or business are viewed as a whole or unit, hence the word “unitary.” The business income from all activities of a unitary business is combined into a single report (i.e., combined report). The income included in the combined report is divided among the jurisdictions where the business is present by use of an apportionment formula.

Homeowner and Renter Assistance

In 1967, our role changed with the creation of the Senior Citizens Property Tax Assistance law. Since the creation of this program, we have provided over a billion dollars in assistance to low income seniors and to the blind and disabled. The Senior Citizens Property Tax Assistance law required us to function in dual roles: As a tax collection agency and a tax assistance agency. The program was originally designed to give property tax assistance to senior citizens. In 1972, the California Legislature added refundable assistance for renters to the law. The law has since been amended to include not only senior citizens, but the blind and disabled as well. Currently, the department processes approximately 154,000 homeowner and renter assistance claims each year.

Political Reform Act Audits

In 1977 the legislature passed the Political Reform Audit Act which directs the Franchise Tax Board to audit reports and statements filed with the Secretary of State by lobbyists, candidates for public office and political committees.

Non-Tax Collections

In 1993 the legislature mandated that we assist certain other state, county and city agencies in the collection of amounts owed to them including assisting local district attorneys in the collection of delinquent child support payments. We currently provide assistance in the collection of delinquent:

- child support,
- vehicle registration,
- court-ordered debt,
- fines imposed for labor law violations, and
- student loans.

SERVICES

Volunteer Income Tax Assistance

At more than 1,500 sites throughout California, trained volunteers provide free assistance to low-income senior, disabled, military and non-English speaking people who need to file simple federal and state income tax returns. These sites are available during the tax filing season.

Call the Franchise Tax Board at 1-800-852-5711 to find the volunteer assistance location nearest you.

F.A.S.T. Telephone Assistance

You can order tax forms and publications, check on the status of your refund, balance due or payments received, and get answers to the most frequently asked tax questions by calling us. Our Fast Answers about State Taxes (F.A.S.T.) toll-free automated phone system is available 24 hours a day.

F.A.S.T., call 1-800-338-0505

Other Telephone Assistance

We provide regular toll-free telephone service from 7:00 a.m. until 8:00 p.m., Monday through Friday, from the first working day in January through April 15. The best times to call are between 7:00 and 10:00 in the morning and between 6:00 and 8:00 in the evening. Service is also available from 8:00 a.m. through 5:00 p.m. on the two Saturdays prior to April 15. After April 15, service is available Monday through Friday, between 8:00 a.m. and 5:00 p.m.

From within the United States, call1-800-852-5711

From outside the United States, call (not toll-free)1-916-854-6500

For federal tax questions, call the Internal Revenue Service at.....1-800-829-1040

Bilingual Telephone Assistance

Assistance is available by calling the toll-free number 1-800-852-5711.

Hearing Impaired Telephone Assistance

We provide toll-free taxpayer service for the hearing impaired with a Telecommunications Device (TDD). Call 1-800-822-6268. The Franchise Tax Board will also accept calls for, and relay messages to, any California state agency.

Internet

From our home page you can:

- Download and print current and prior year forms and publications,
- Get information about current law changes, legal rulings and notices, and press releases,
- Get answers to frequently asked questions, and
- Get other general information about the Franchise Tax Board.

You can also e-mail your technical tax questions to us through the Internet. Because of our security concerns, we ask that, when you use the e-mail for your questions, please do not include any confidential information.

Visit our home page at: **<http://www.ftb.ca.gov>**



Personal Assistance

We provide tax forms and informational publications throughout the state. Call the appropriate toll-free number for the location nearest you. You may also contact your local Senior Citizens' Information and Referral Service or legislative field offices for additional locations where you can get help. If you find that you cannot telephone or visit an information site, you can visit us at the Franchise Tax Board offices listed below.

Field Offices	Address
Bakersfield	1800 30th St., Ste 370
Burbank	333 N. Glenoaks Blvd., Ste. 200
Fresno	2550 Mariposa St., Rm. 3002
Long Beach	4300 Long Beach Blvd., Ste. 700B
Los Angeles	300 So. Spring St., 5 th Fl., Ste. 5704
Oakland	1970 Broadway, Ste. 550
Sacramento	8745 Folsom Blvd., Ste. 150
San Bernardino	464 W. 4th St., Rm 454
San Diego	5353 Mission Center Rd., Ste. 314
San Francisco	50 Fremont St., 9 th Floor
San Jose	96 N. Third Street, 4 th Floor
Santa Ana	600 W. Santa Ana Blvd., Ste. 300
Santa Rosa	50 D Street, Rm. 130
Stockton	31 East Channel St., Rm. 219
Ventura	4820 McGrath St.
West Covina	100 N. Barranca St., Ste. 600



EASIER FILING METHODS

- If you were one of the nearly 1.8 million Californians who received a special TeleFile booklet in the mail, you can phone in your state income tax return. TeleFile is fast, free and easy. It takes about 10 minutes to complete. You simply call a toll-free number and respond to questions asked by an interactive voice response phone system. We will mail your refund to you within 10 days. You are not required to send anything to us. It's paperless.

If you do not receive a TeleFile booklet, you can still easily file your return and get a fast refund by filing electronically. To file electronically:

- prepare your return (or have someone prepare it for you), and
- have a tax preparer or other business transmit your return to us. For a fee, the tax preparer or other electronic filing service will make sure that your return is transmitted correctly and can verify that the Franchise Tax Board received your return, or
- file your return on-line from your home computer using an electronic transmitter service. All you have to do is download free software from the electronic transmitter's independent website, enter your completed tax return information and send us your return via the electronic transmitter service. You can find more information on service providers by referring to our website at: <http://www.ftb.ca.gov>



YOUR RIGHTS AS A TAXPAYER

We hope to make your interaction with us as helpful, courteous and convenient as possible. Our goal is to make certain your rights are protected, so that you will have the highest confidence in the integrity, efficiency and fairness of our state tax system. FTB Pub. 4058, California Taxpayers' Bill of Rights, includes information on your rights as a California taxpayer, the Taxpayer Advocate Program and how you can request written advice from the Franchise Tax Board on whether a particular transaction is taxable. You can order FTB Pub. 4058 by calling the Franchise Tax Board or downloading it from the Internet.



